

D-R-A-F-T

ORGANIZATION OF THE ECONOMIC INTELLIGENCE COMMITTEE
(March 1966)

SUBCOMMITTEES

- *Agriculture
- *Electronics & Telecommunications
- *General Economic Analysis
- **International Trade & Finance
- ***Petroleum
- *** Shipbuilding
- *** Transportation

*Chaired by CIA

**Chaired by State

SUBCOMMITTEES ABOLISHED:

A. DOD Recommendation

Chemicals
Economic Defense
Electric Power & Solid Fuels
Industrial Machinery & Equipment
Minerals and Metals

The Office of the Director of Administrative Management of the DOD recommended to the Bureau of the Budget that these subcommittees be abolished. The BOB forwarded this recommendation to the CIA for the Chairman's consideration. These subcommittees were canvassed and concurred in the DOD recommendation with the provision that, if abolished bilateral coordination and exchange of information should be encouraged to continue. In the future, specific questions on problems within the purview of a subcommittee that has been abolished, and requiring EIC action, will be accommodated by setting up ad hoc working groups for particular purposes as required or referral to a standing subcommittee.
(9 December 1965)

B. Self-Recommendation

Population and Manpower

Subcommittee officers indicated to the Executive Secretary, EIC, that the Committee consider disbanding the subcommittee. The EIC directed the subcommittee to hold a formal meeting to consider the specific question of its abolition and report its findings to the EIC.

B. Population and Manpower

The EIC accepted the agreed recommendation of the subcommittee that the subcommittee be abolished, with the following provisions:

(1) that any ad hoc matters requiring EIC action that may come up in the field of population and manpower be referred to the EIC Subcommittee on General Economic Analysis. Representatives of the departments and agencies now represented on the present subcommittee on population and Manpower (State, Commerce, Labor, and the DIA) should be invited to participate in any such discussions by this subcommittee, and (2) the annual subcommittee publication Population of the Communist Countries, Selected Years, 1938-80 will be discontinued. CIA will continue to publish and disseminate the Population Wall Chart which is prepared annually by the Bureau of the Census. Census has agreed to prepare the draft Chart and to submit it ~~for~~ informally for review by those departments and agencies now represented on the subcommittee and the Chart will be published with a footnote to this effect. (30 March 1966)

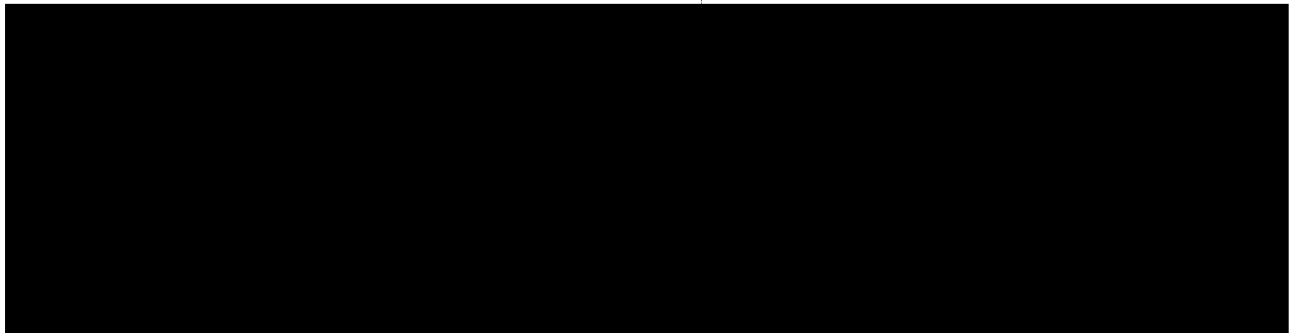
WORKING GROUP DISCONTINUED

Chairman's Recommendation

Working Group on [REDACTED]

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25X1X7



6 S.C.'s

1 W.G.

PROPOSAL FOR ESTABLISHMENT OF NEW SUBCOMMITTEES

Department of State Proposal - Subcommittee on Economic Policy
in Communist Countries

The State member submitted a proposed terms of reference for the establishment of a subcommittee primarily for discussion and the exchange of views and information dealing with current developments in economic policy in Communist countries.

The Chairman, EIC, after consultation with the State member, has circulated for EIC approval a proposal for incorporating this responsibility into the Subcommittee on General Economic Analysis on a trial basis for one year. If the proposal is acceptable to the EIC, the question of extending membership on the Subcommittee to include Mr. Ernest Rubin, Department of Commerce and Mr. Paul Gekker, Federal Reserve Board will be put to the EIC.

Action Required: Upon resolution, formal notification to the Subcommittee on General Economic Analysis to extend activities to include a series of meetings on this subject.

Chairman to extend formal invitation to Department of Commerce and Federal Reserve Board and any other appropriate associate members to participate in these activities.

*approved
by the EIC*

in progress

Department of the Air Force Proposal

The Air Force has proposed that a subcommittee be charged with monitoring the uses of economic intelligence in planning, particularly military planning. The objective would be to insure that reporting of reliability and validity considerations to users is adequate, that format and methodologies meet consumer needs, and that research is encouraged.

The Chairman, EIC, referred this matter to the USIB Ad Hoc Working Group on Soviet Military Expenditures for NIPP 66. for consideration and comment, in order to draw up a proposed course of action.

25X1A9a The USIB group met on 2 March, however, due to the absence of Mr. [REDACTED] Chairman, no report has been submitted to the ~~EIC~~ ~~Chairman~~ Chairman, EIC, in response to his request.

Action Required: Upon receipt of response discuss matter with members appropriate CIA officers and make recommendation to EIC/for their approval.

REVIEW OF WORKING GROUP ON AID & TRADE ACTIVITIES

At a previous meeting of the EIC, it has been suggested that this Working Group be made a Subcommittee of the EIC. The proposal was reviewed and since the Group is charged with a specific production responsibility for producing coordinated intelligence on Communist aid and trade activities pertaining to the less developed countries of the Free World, members concurred that the Group be continued as a Standing EIC Working Group. (No subcommittee has a similar production responsibility.)

The EIC directed the Working Group to revise its Terms of Reference (now 10 years old) to more accurately describe its subject matter scope, functions, organization, and procedures, and to submit them within 6 weeks for EIC review and approval.

REVIEW OF EIC TERMS OF REFERENCE (DCID 3/1, Apr '65)

A columnar comparative analysis of the functions of USIB substantive committees -- SIC, GMAIC, and JAEIC -- with those of the EIC was prepared as well as informal views of the Chairman and certain comparisons and circulated to the EIC members for review at a meeting on 22 April. Included in these Notes on T/R of the EIC is the Chairman's view that in view of the CIA/DIA agreement, the EIC need take no action to clarify primary research responsibilities set out in DCID 3/1 -- points raised by the Department of the Air Force in a formal communication from Major General Jack E. Thomas, Assistant Chief of Staff, Intelligence. (Para 2 should allow for the formation of the DIA and its activities in the field of economic intelligence, and the concomitant reduction in the production responsibilities of the military services and Para 2 also might contain a more explicit statement on the assignment of responsibilities for the costing of foreign weapons systems and military forces.)

Review of the operation of other substantive USIB committees should enable the EIC to define its own functions more clearly. It is planned that after completion of this exercise, a review and revision of subcommittee terms of reference will be initiated.

OTHER SUBCOMMITTEES REVIEWED

~~Subcommittee on Agriculture~~ Officers of the EIC Subcommittees on Agriculture and Petroleum indicated to the Executive Secretary, EIC, that the Committee consider disbanding them. The EIC also directed these 2 subcommittees to hold a formal meeting to consider the specific questions of continuation or merger or abolition and report their findings to the EIC by 15 April.

Subcommittee on Agriculture

Subcommittee members unanimously agreed that the Subcommittee be retained and that its activities be expanded. The subcommittee has proposed that in order to better apprise its membership on related work currently underway or scheduled, a list of such projects be prepared by each department and agency and mutually exchanged on a weekly basis. This list would include not only those projects entirely oriented toward agriculture but also those projects in which the agricultural economy, food problems, and the like are treated along with other subjects, at a security classification of no higher than SECRET. The subcommittee also suggested that the membership be expanded to include an expert on fisheries from the Department of the Interior. The Committee noted the subcommittee report and the recommendations contained therein. (30 Mar 1966)

Action Required: Acknowledge report and initiation of the proposal for the exchange of current information and request the subcommittee to give consideration to the identification of priority gaps in information and the existing capabilities to fill these gaps.

Solicit EIC members concurrence in the subcommittee suggestion that its membership be expanded to Department of Interior and Chair to extend formal invitation.

Subcommittee on Petroleum

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No agreement was reached by subcommittee members on the future role of the subcommittee. Abolishment was supported by the representatives of the CIA and the DIA, and continuation of the Subcommittee under a different Terms of Reference providing for annual or semiannual meetings to discuss and review intelligence problems and developments was supported by representatives of the Departments of State, the Navy, and the Interior; the Defense Supply Agency, the Agency for International Development, and the National Security Agency.

Further discussion of this Subcommittee will be continued at the 22 April meeting.

Organization of the EIC - March 1966

Subcommittees Abolished (6)
Working Group Discontinued (1)
Proposals for Establishment of New Subcommittees
1. State 2. Air Force

Review of EIC Terms of Reference

Review of Working Group on Aid & Trade Activities
remain as standing working group
directed to revise Terms of Reference

* *Chmn's informal views on suggested modification*
in annual report.

Other Subcommittees Reviewed
Agriculture Petroleum